

# Understanding Middlesex Retirement Costs

## Illustration of Employee Contributions

Effect of 9% Contribution for Group 1 Members

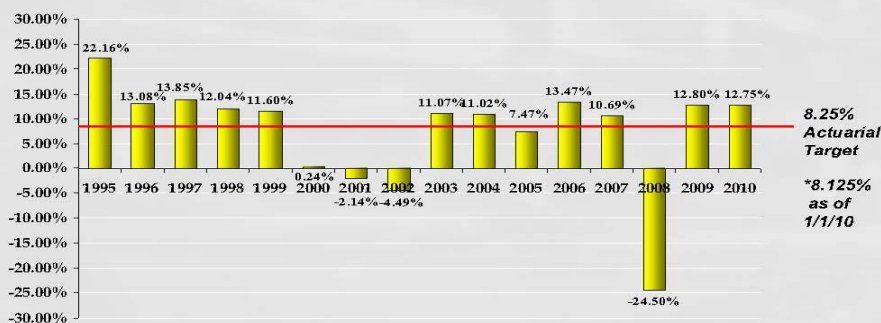
Assumed Salary Increase: 4% per year

Investment Return: 8% per year

### Approx. % Value of Benefits Paid by Employee

Age at Hire:	25	35
Retirement Age – 55	115%	100%
Retirement Age – 60	104%	90%
Retirement Age – 65	128%	89%

**Middlesex County Retirement System  
Calendar Year Returns  
1995 to 2010**



## •Membership

- 4,800 retired/ survivor/ beneficiary members
- Average benefit is \$19,400
  - State Average for local retirement systems is \$21,200
- Westford has 151 retired participants

## •Oversight

- The Middlesex Retirement System is overseen by the Public Employee Retirement Administration Commission (PERAC)

## •Did you know....

- The municipal pension system in Massachusetts is governed by MGL Ch 32
- Town and School employees are not eligible to accrue social security benefits through their town employment
- In the private sector social security is deducted from employee pay and matched by the employer at the rate of 6.2% on all wages
- In fiscal year 2011, wages, salary, overtime, etc. totaled \$52,228,961
- If the town had to pay social security tax on those wages, the total would have been \$3,238,195
- The Middlesex Retirement Assessment in fiscal year 2011 was \$2,666,208

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